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Attorneys for Apple Inc.

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

IPCOM GMBH & CO. KG

)
) Case No. 5:14-MC-80037-EJD (PSG)

Plaintiff.

) **DECLARATION OF WOLRAD**
()

) **PRINZ ZU WALDECK UND**
()

) **PYRMONT IN SUPPORT OF**
()

) **APPLE INC.'S MOTION TO**
()

) **QUASH SUBPOENA IN A CIVIL**
()

) **CASE**

VS

APPLE INC

Defendant

) **Judge: Hon. Paul S. Grewal**
) **Courtroom: 5, 4th Floor**
) **Date: June 10, 2014**
) **Time: 10:00 a.m.**

1 I, Wolrad Prinz zu Waldeck und Pyrmont, declare as follows:

2 1. I am an attorney with Freshfields Bruckhaus Deringer LLP, counsel to Apple Inc.
3 ("Apple"). I have been licensed to practice law in Germany since 2003.

4 2. I am familiar with the facts set forth in this declaration from personal knowledge and
5 documents I have reviewed.

6 3. I submit this declaration in support of Apple's Motion To Quash Subpoena In A Civil
7 Case.

8 4. Attached as Exhibit A is a true and correct copy of the English translation of the
9 original IPCom GmbH & Co. KG ("IPCom") complaint against Apple in Germany dated March 2,
10 2012.

11 5. Attached as Exhibit B is a true and correct copy of the English translation of IPCom's
12 reply brief dated May 10, 2013.

13 6. Attached as Exhibit C is a true and correct copy of the English translation of IPCom's
14 second German complaint.

15 7. IPCom has given a FRAND commitment for the two asserted patents.

16 8. IPCom's combination of requests for adjudication on both the technical merits and
17 damages in a single filing is unusual for German patent infringement litigation.

18 9. While not excluded under the German procedural rules, the amount of damages is
19 generally the subject of a second, separate proceeding after a judgment of infringement has issued,
20 and, in the majority of cases, initiated only after such judgment has become final.

21 10. In the course of the German proceedings, Apple and IPCom submitted nearly
22 approximately 300 pages of briefing and approximately 750 pages of expert reports and supporting
23 exhibits on damages issues in the German litigation.

24 11. In its introduction to the parties, the Mannheim District Court commented on
25 IPCom's unusual procedural approach, and stated that it would not hear argument on the amount of
26 damages at this juncture but would instead follow the normal course of first adjudicating the merits
27 of the patent infringement allegation.

1 12. The court clarified that if IPCom had eventually succeeded in establishing
 2 infringement, the court would have issued an interlocutory judgment only as to the infringement
 3 claim (sec. 304 German Code of Civil Procedure)—which is subject to a separate appeal—and
 4 would address the amount of damages only after a finding of infringement has become final.

5 13. Attached as Exhibits D and E are true and correct copies of the English translations of
 6 the lower court judgments in the German litigation. As the proceedings were formally separated on a
 7 patent by patent basis, two judgments issued.

8 14. IPCom's contention that damages issues will be addressed by the German appellate
 9 court, while not excluded under German law, appears unlikely in the present case.

10 15. Because the lower German court decided the case based solely on a finding of non-
 11 infringement, having explicitly stated in the introduction to the oral hearing that it intended to
 12 address the question of damages only in a subsequent hearing and only after a final decision on
 13 infringement, the amount of damages were never addressed in the oral argument before the lower
 14 German court. Also, the court has not taken any evidence with regard to the question of damages.

15 16. Consequently, but for filing the required motions, IPCom did not address the amount
 16 of damages at all in its 57 page appeal brief.

17 17. Because the case is not ripe for a final decision, the appeals court has discretion to
 18 remand the case to the lower court under section 538 para. 2 No. 4 German Code of Civil Procedure.

19 18. To render a decision, the German appellate court must weigh the interest of not
 20 depriving one party of a fact-finding court instance (in particular if detailed and extensive
 21 evidentiary hearings will be necessary) against the disadvantage of increased costs and duration of
 22 proceedings (*see, e.g.*, German Federal Supreme Court [BGH], NJW-RR 2010, 1048, 1049;
 23 Stein/Jonas, Code of Civil Procedure [Zivilprozessordnung], 22nd Ed. (2013), § 538 marginal note
 24 45).

25 19. The expected duration of the present proceedings, including a remand, is no longer
 26 than the standard duration of German patent proceedings with a first proceeding on infringement and
 27 a separate, subsequent proceeding on the amount of damages.

1 20. As regards judicial economy, no evidence has been taken on the question of damages,
 2 nor have any factual determinations been made that the German appellate court could rely or build
 3 on. In view of the complexity of the case and the dispute regarding nearly all aspects relating to the
 4 amount of damages, it seems unlikely that a rather limited taking of evidence will be sufficient to
 5 provide the necessary basis for a final decision.

6 21. To my knowledge, there is no published decision of a German court determining the
 7 amount of damages or of a royalty amount for a FRAND encumbered telecommunication patent.

8 22. I believe that the circumstances in this case would thus require remission to the lower
 9 German court for the determination of damages—if (and only if) the appeals court finds error in the
 10 district court's liability finding.

11 23. The German appellate court can remand the proceedings back to the lower German
 12 court for the determination of damages under Sec. 538 para. 2, no. 4 Code of Civil Procedure and in
 13 this case it seems reasonable to assume that it will do so.

14
 15 I declare under penalty of perjury under the laws of the United States that the foregoing is
 16 true and correct.

17 Dated: May 2, 2014


 18 Wolrad Prinz zu Waldeck und Pyrmont

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